

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 673 - HB 814

February 25, 2021

SUMMARY OF BILL: Requires the Basic Education Program (BEP) funding formula to include money sufficient to fund one full-time psychologist position for each 2,500 or fewer students and one full-time school social worker position for each 2,000 or fewer students. Requires each local board of education and public charter school governing body to develop a plan to conduct mental health screenings and behavioral health screenings on each student in kindergarten through grade eight (K-8) during the 2021-2022 school year, in order to evaluate the impact of the COVID-19 pandemic on students. Expresses intent that any available funding provided to the state through the Coronavirus Aid, Relief, and Economic Security (CARES) Act be used to fund this Act.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$5,389,000/FY21-22 and Subsequent Years

Other Fiscal Impact – The state received approximately \$2,360,000,000 through the Coronavirus Relief Fund created by the CARES Act. The state’s reported balance ending January 31, 2021, was \$220,040,100. The extent to which such funding will be available to fund this Act is unknown.

Assumptions:

- The BEP formula currently generates funding for one psychologist position for each 2,500 students and one social worker position for each 2,000 students; however, the current funding ratios allow for partial positions.
- The proposed legislation will alter the BEP formula by requiring one psychologist position for each 2,500 *or fewer* students and one social worker position for each 2,000 *or fewer* students.
- Based on information provided by the Department of Education, the changes to the BEP formula will result in an additional 61.48 psychologist and 60.28 social worker positions.
- Screenings will only be required during the 2021-2022 school year; however, funding for the additional positions will continue into perpetuity.
- The state share of the BEP will fund approximately \$45,283 per psychologist position.
- Re-calculating the FY20-21 BEP, with a minimum of one full-time psychologist position for each 2,500 or fewer students will result in a recurring increase in state

expenditures of \$2,783,999 (61.48 psychologists x \$45,283) in FY21-22 and subsequent years.

- The state share of the BEP will fund approximately \$43,215 per social worker position.
- Re-calculating the FY20-21 BEP, with a minimum of one full-time social worker position for each 2,000 or fewer students will result in a recurring increase in state expenditures of \$2,605,000 (60.28 social workers x \$43,215) in FY21-22 and subsequent years.
- The total recurring increase in state expenditures is estimated to be \$5,388,999 (\$2,783,999 + \$2,605,000) in FY21-22 and subsequent years.
- It is assumed that federal funding provided to the state through the Coronavirus Aid, Relief, and Economic Security (CARES) Act may be used to fund the proposed legislation.
- The state received an initial amount of \$2,360,000,000 through the Coronavirus Relief Fund created by the CARES Act; as reported by the Financial Stimulus Accountability Group on February 2nd, there is a remaining unobligated balance of \$220,040,100 if all programs fully expend allocated funds.
- It is unknown how the remaining Coronavirus Relief Fund dollars will be allocated and how long such funds will be available; therefore, because the precise amount, timing, and duration of funding from the CARES Act remaining balance cannot be accurately determined, an increase in state expenditures may result.
- Based on FY19-20 local maintenance of effort levels, no local school districts will need to increase their BEP local match contributions as a result of the proposed legislation, as all districts are currently contributing local funds in excess of the minimum required local match and the increased local match requirements mandated by this legislation do not exceed such current local contributions for any of the districts.
- However, future legislation which alters the BEP funding formula may result in local governments utilizing current excess local contributions to fund the minimum local match requirement and a combination of multiple such legislation may result in mandatory increases in local match requirements for certain school districts.
- Each local board of education and public charter school governing body will be able to develop a plan for the conduction of mental and behavioral health screenings on each student in kindergarten through grade eight (K-8) during the 2021-2022 school year with existing staff and resources; therefore, any fiscal impact is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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